

Exhibit 36

(Excerpted)

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SLATE

 CAN TEEN HACKERS BE STOPPED?

 MONEYBOX

The Battle for the Cheerleading-Uniform Industry Is Surprisingly Cutthroat and Appropriately Glittery

BY LEIGH BUCHANAN

FEB 22, 2016 • 3:34 PM



A Denver Broncos cheerleader.

Doug Pensinger

This post originally appeared on Inc.

The audience at Cheerleading Worlds 2013 expected pyrotechnics from the Cheer Athletics Panthers. Lithe and powerful as their mascot, the team of 36 teenage girls took the stage at

One notable trait of challenger brands, says Barden, is their ability to turn constraints into opportunities. Barred from major competitions, Noseff Aldridge took a page from the book of another challenger brand, Kenneth Cole. In 1982, unable to afford a space at a trade show for his upstart shoe company, Cole did business from a borrowed truck nearby. City rules forbade his parking there unless he was filming a TV show or movie. So Cole made the full-length film *The Birth of a Shoe Company* while hawking his wares.

Noseff Aldridge's spanking new division is called Rebellion Rising Productions. On the weekend of February 19, her crew—with a police escort and film permit in hand—was expected to park a tour bus outside the Dallas venue of the NCA All-Star Nationals, one of Varsity's biggest events. Cheerleaders and their parents will be welcomed onboard the "Rebel Dreambus," which will be fitted out like a 1950s movie-star dressing room and wrapped in Rebel branding. There they can try on and buy merchandise and, of course, be interviewed for a documentary. The subject of that documentary? Bullying. "Isn't that crazy?" says Noseff Aldridge, laughing.

See also: Ford Sets Ots Sights on Self-Driving Cars

SLATEGROUP

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Exhibit 37

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From: John Sadlow [jsadlow@varsity.com]
Sent: 11/9/2017 4:37:12 PM
To: Adam Blumenfeld [ab@varsitybrands.com]
CC: Rick Paschal [rpaschal@varsitybrands.com]; Wayne Vacek [wvacek@varsitybrands.com]; Burton Brillhart [bbrillhart@varsitybrands.com]; John Nichols [jnichols@varsity.com]; Pash Nangia [pnangia@varsity.com]; Bill Seely [BSeely@varsity.com]; Brian Elza [belza@varsity.com]; Tres LeTard [TLeTard@varsity.com]; Landon Craft [lcraft@varsity.com]
Subject: RE: Review Requested: VS All Star Acquisitions

Adam,

Thanks for the note and approval. For education purpose I wanted to share top reasons year 1 normally declines but then we see a bump in year 2. At a high-level there are 4 usual reasons that drive this:

1. Varsity Family Plan expense – if we add company to VFP and they did not have their own discount / rebate program (or a small one) then adding them to ours will drive incremental expense over their current plan
2. Management Salary – often owners will not pay themselves a salary or a small salary so when give an employment agreement it can cause incremental SGA
3. Cancelled Events – often there are a handful of events that compete directly with our existing events and we need to cancel these. When we cancel an acquired event it reduces their EBITDA (but is partially offset by an increase in our existing event; this is not reflected in acquired company's P/L)
4. Timing - If the timing is late and we miss the ability to include acquired events in our event release and Summit / US Finals distribution plan, it is often too late to see uptick in that year because people have already planned season; if company is flat or on a downward trend before we acquire this trend can continue in year 1 but is reversed in year 2

Related to these two deals specifically, we are seeing:

- **Jam Spirit Group:** Acquisition was impacted slightly by #2 (slightly higher management salaries) but was offset by the fact we should be able to add Summit bids to their large World Bid event late in the season (March) and see a little pop there
- **Margi Gras:** was hit by #1 (adding Family Plan expense), #2 (paying \$100k salary when she did not take one in 2016-2017), and #4 (we won't be able to impact her participation much this year given timing of World Bid in early January)

Let us know any questions.

Thanks,

John Sadlow

VP Strategy

Varsity Spirit

Office: 901.387.4431 | Mobile: 901.355.1211

jsadlow@varsity.com | varsitybrands.com

From: Adam Blumenfeld

Sent: Thursday, November 9, 2017 10:43 AM

To: John Sadlow <jsadlow@varsity.com>

Cc: Rick Paschal <rpaschal@varsitybrands.com>; Wayne Vacek <wvacek@varsitybrands.com>; Burton Brillhart <bbrillhart@varsitybrands.com>; John Nichols <jnichols@varsity.com>; Pash Nangia <pnangia@varsity.com>; Bill Seely <BSeely@varsity.com>; Brian Elza <belza@varsity.com>; Tres LeTard <TLeTard@varsity.com>; Landon Craft <lcraft@varsity.com>

Subject: Re: Review Requested: VS All Star Acquisitions

Thank you for this detail.

These fall into VS sweet spot and seem like rationale is solid.

The step down in TTM in next year before jumping back up is seasonal / timing?

Under risk and uncertainty is there any particular watch out you want me focused on?

I approve of both transactions.

Adam Blumenfeld

Chief Executive Officer

Varsity Brands

972-243-0879

214-405-6983 (cell)

ab@varsitybrands.com

On Nov 9, 2017, at 8:51 AM, John Sadlow <jsadlow@varsity.com> wrote:

Adam,

Please see attached transaction summaries for two All Star event providers that we are looking for your approval. I have also attached the 2017 and 2018 budgets for both. Note these may change slightly post close once we get additional information from management teams, but these should be close based on latest information we have.

- Jam Spirit Group is based out of Chicago and fills an event gap in that geographic region
 - Transaction price is \$1.5M based on \$232k EBITDA for a 6.5x multiple
 - Target close date is 11/15
- Margi Gras is based out of New Orleans and similarly fills a void in the LA/MS/AL region
 - Transaction price is \$900k based on \$177k EBITDA for a 5.1 multiple
 - Target close date is 12/1

As a high-level aside, our commitments for the fall part of the All Star season (Oct - Dec) are up 10% over last year actuals after controlling for acquisitions (note this growth is already built into our latest 2017F shared with SSG). The softness in overall participation we saw last year does not appear to be impacting us this year and we are still seeing growth indicating these acquisitions will continue to complement our portfolio.

Nichols and Bill have reviewed and approved from Varsity Spirit's end and Rick / Burton / Wayne have all reviewed and are supportive from Shared Services perspective. Both deals will be an asset purchase and we are working with Burton's team to complete the legal diligence and create asset purchase agreement.

Let us know if you have any questions or feedback before we proceed further. We are happy to jump on a call and discuss further as needed and would like to close this out by end of this week if possible.

Thanks,

John Sadlow

VP Strategy

VARSITY SPIRIT

Office: 901.387.4431 | Mobile: 901.355.1211

jsadlow@varsity.com | varsitybrands.com

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<2017-11-2 Jam Spirit Group Transaction Summary v3.docx>

<2017-11-2 Mardi Gras Transaction Summary v1.docx>

<2017-11-08 All Star Acquisition Budgets v1.xlsx>

Exhibit 38

FILED UNDER SEAL

From: Jessica Loper [jloper@varsity.com]
Sent: 11/12/2018 9:07:39 AM
To: Brian Elza
Subject: Stay to Play
Attachments: ASGA1.jpg; ASGA2.jpg; VU.JPG; VU1.jpg; VU3.jpg; VU4.jpg; Stay to Play.jpg; Stay to Play1.jpg; Stay to Play2.jpg; Stay to Play3.jpg; ASGA.JPG

Hi Brian!

Attached are some screen shots. Let me know if you need anything else!

Thanks,

Jessica Loper

Director of Marketing

Varsity All Star

VARSITY SPIRIT

903.681.6225 | 901.387.4392

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Facebook | Twitter | Instagram



Dana Kleinman Talbot They are NOT more affordable and we all know this. Making hotels an option for those that chose to use them is "fair" but making us use hotels that are clearly more expensive \$\$\$ then contracted or booked on our own is "bullying." I for one am hopeful for change and believe as we stand together we will see it!

Like · Reply · 1w



Amy Berry But they talk about best rate and that they check the rates often. Total crud. Not to mention you can't even book a brand hotel and earn points using their booking partners. That ticks me off!

Like · Reply · 1w



Dana Kleinman Talbot Amy Berry I have a hotel i have used for a comp for over 6 years that was added to the "stay and play." I contracted again with a rate of \$112 with breakfast prior to it becoming part of the stay and play. Their rate for same hotel without breakfast \$139. 🤔 I cannot justify this to my clients and I won't do it.

Like · Reply · 1w



Amy Berry Dana Kleinman Talbot I totally agree and think it's awful that they are doing this to the families that already spend a pretty penny!

Like · Reply · 1w



Gina George Dana Kleinman Talbot one stay to play charged us 100.00 more than the original room rate (if we were not there for cheer comp) and then more for our military.

Like · Reply · 1w



Dana Kleinman Talbot Gina George so wrong for so many reasons. I believe change is coming. 😊

Like · Reply · 1w



Jenifer Schmidgall Wieland Our stay to play hotel in Dallas last year was POS, unsafe, and very expensive. Also, I haven't had a Varsity advisor reach out to my gym about putting together our schedule? A link? What link? I missed that? And the stay to play options for a local competition we planned to attend were ridiculously higher, were all booked within 1 day of being available for booking and it wasn't until I threatened to take our teams elsewhere several times that new, affordable hotels were released. So none of this seems credible to me?

Like · Reply · 1w · Edited



2

^ Hide 11 Replies



Amy Berry We haven't either! I threatened to cancel ours too (3 small teams) and the lady is "waiving" our stay to play....mainly because I informed her that when we registered for comp in August it wasn't on the website as being a stay to play ordeal. Now I have to provide a confirmation number with hotel name for each athlete!

Like · Reply · 1w



1



Melissa Brauer ^^^this

Like · Reply · 1w



Angi Dunham Jennifer, I am your Varsity advisor. What link is this that you are referring to? I'm one of the most ATTENTIVE Varsity employees, almost always returning emails and phone calls within 24 hours. I have had numerous conversations with Aleisha from your program about schedule, strategy, and stay to play.

Like · Reply · 1w



5



Jenifer Schmidgall Wieland Angi Dunham I'm referring the link mentioned in the letter. I have no idea what that is?

Like · Reply · 1w



Jenifer Schmidgall Wieland Angi Dunham and I'm sorry, that wasn't a personal attack on you. Have had no issues with you personally. Just stay to play.

Like · Reply · 1w · Edited



Angi Dunham You can't say that no one from Varsity has reached out to your program. Looking back at my notes, Aleisha and I have had almost a DOZEN conversations via text, email, or phone about your schedule. I understand that you are upset, I actually provide list to my customers if they ask about non STP events that will work for their budget. I also just looked and you are listed as a coach in your profile, which is why you didn't receive the link. It is sent only to gym owners and program directors. Feel free to email me if you

Beth Hendricks Mundell One I'd love to know is how parents are supposed to cancel a one night stay, one month before the comp when the block schedule is released, and not be charged. If the block shows them not needing that one night, what then?? The STP already has charged that "one night hold fee" and won't currently refund.

Like · Reply · 1w



Beth Hendricks Mundell Jayme Wither

Like · Reply · 1w



Lark Wood Beth Hendricks Mundell that might be specific to a particular Housing Company but I will ask

Like · Reply · 1w



Jayme Wither Yes going through this now - we have 2 nights reserved, schedule not final but close to it. Already charged for the first night, but looks like we won't need it for everyone. \$200/night. That's a car payment for some families.

Like · Reply · 1w



Jayme Wither They are working with me sort of. They said the hotel is the one holding me to contract, not them. They contacted the hotel on my behalf. I need to let them know immediately if any of my parents want to drop the first night and then they will see wh... See More

Like · Reply · 1w



Jayme Wither Side note - there are still rooms available at these hotels. They are not fully booked.

Like · Reply · 1w



Shirley Wetsel Lark Wood all questions might be specific to the different housing companies... which one are you visiting?

Like · Reply · 1w · Edited



Lark Wood Shirley Wetsel team travel source

Like · Reply · 1w



Beth Hendricks Mundell Lark Wood thank you

Like · Reply · 1w



Jayme Wither Ahhh - my upcoming competition is with THS. Everything else was great until we encountered this hiccup I don't know how to deal with.

Like · Reply · 1w

Jimmy Redus I have 3: PageID 11613

- 1) How many free rooms does varsity get at big national events.
- 2). What is the base cost of their revenue based rooms at big nationals.
- 3) How much money do they make per room.

Like · Reply · 1w



^ Hide 20 Replies



Sahil M Last question isn't something I'd ask as it's not relevant. A better one would be "what price can you give to parents so that you're still happy with your profit margins"

At the end of the day, they're a business, and they need to make money. Instead of intruding on their exact dollar amounts, it's a better idea to simply ask them what they'd be comfortable lowering the price to.

Like · Reply · 1w · Edited



Jimmy Redus Sahil M ok I will restate how much does varsity make of the hotel rooms. How about that.

Like · Reply · 1w



Jimbo Gravois You aren't going to get transparent answer on that one friend.

Like · Reply · 1w



Sahil M Jimmy Redus I still think asking someone's direct profit margins isn't cool (would you be comfortable telling the World how much you make per year?) But, that will be for the interviewer to decide I guess.

Like · Reply · 1w



Beth Hendricks Mundell Question: Jimmy Redus - would you tell your customers what profit you make off your services and apparel?

Like · Reply · 1w



Jimbo Gravois Forced participation can be treated differently by customers

Like · Reply · 1w



Jimbo Gravois Beth Hendricks Mundell are they forced to use his services or apparel? No one is asking how much is made from the event itself



Amanda Michelle Why are the prices almost double what non cheer families can get for the SAME weekend (my extended family has done it, booked the day before for half the price for the same room) yet we're being told we're receiving "group discounts" and "lower rates are honored" when in reality they never are.

Like · Reply · 1w



7



Brian Elza Send me any examples of that please.

Like · Reply · 1w



Amanda Michelle Brian Elza which part? The price my mom paid for her room as compared to ours? Or that if I go through a booking site versus housing company pricing?

Like · Reply · 1w



Ron Cunio A whole team could stay in 3-4 houses via Airbnb for a fraction of the cost of the hotel room total. My customers need freedom to stay where they choose. I realize that Varsity has the monopoly on cheering, but it is pushing my customers away to other sports, or not doing private sports at all.

Like · Reply · 1w



8



Jennie Willard Here is an example. Looking at cheer power Midwest nationals in Columbus, OH. Hampton Inn at the airport is \$115 on my Hilton ap... through the booking site it is \$149.

Like · Reply · 1w · Edited



3



Michelle Ford Because it is the night before and costs drop when there are still vacancies in a 24 hour time span. Same with flights, cruises, etc. That's business 101. Drop costs to fill up.

Like · Reply · 1w



Erin Denison Namie Amanda Michelle at two different stay to play events last season we pulled up the cost of the room listed on the hotel's website for the nights we were staying and it was cheaper than what we were paying. We went to the front desk and they refunded us the difference, as did most of our parents...

Like · Reply · 1w



1



Carin Moore Brian Elza this just happened to us for the St. Louis Athletic comp. I can get you examples if you want! Same hotel, cheaper directly with the hotel than with TTS.



Tabbi McCallister Active Duty Family. Exemption denied. Told they would have to prepay for an alternate property, provide receipt of such payment and they their Military Exemption would be reviewed but not guaranteed to be exempt. Most families aren't going to prepay the hotel stay for an event 5 months away.

Like · Reply · 1w



Tabbi McCallister I'm sorry. I just realized I didn't ask a question. Is this the standard protocol for Military Exemptions?

Like · Reply · 1w



Write a reply...



Daniel Quick 1. How much do they get as a rebate from Hotels,
2. what core commission % do they charge
3. Where do the hotel points go
4. Where do they apply the complimentary rooms and at what rate of booking do they receive free rooms
5. Which cities allow use of convention centers for free as a part of the contracted hotel stays
6. What's the industry standard for youth sports as far as questions above and how much higher are they than those averages.
Those are a few for starters

And another

1. Once rooms are booked, is the housing center able to offer 24/7 customer service for the rooms they booked for entire weekend

Like · Reply · 1w



Melissa Mark Torres I made my life easier this year and decided not to do stay to play competitions. I have one that is tentative but the only hotels available through housing are 20 miles away yet i have parents who can book through hotel directly within walking distance. They also are receiving lower rates then quoted through housing company. I will say last year we had a ton of issues with not being able to cancel and schedules making it not necessary to be at a comp all weekend. This upsets the parents and in return i get the complaints

Like · Reply · 1w · Edited



Lark Wood is there a question you want me to ask?

Like · Reply · 1w · Edited



Melissa Mark Torres Lark Wood apologies i guess i should have said why are the hotels 20 miles away when i have parents that can book online within walking distance. Why are the rates higher at times? Why can't we cancel when the schedule doesn't make us stay all weekend

Like · Reply · 1w





Terra Stevens Yes, we do a lot of varsity comps! But need to eliminate stay to play altogether. I can find cheaper rates at same hotels without it and sick of only getting options of hotels with no breakfast available. Also, if we cancel a day of our stay through stay to play, will we still have to pay a fee for canceling a day?

Like · Reply · 1w



Robert Ramos aint that the truth 

Like · Reply · 1w



Angela Dolfi I've been forced to use blocks for many conventions. The difference in those conventions is that they pass on a hotel DISCOUNT. That is what STP is missing in their service.

Like · Reply · 1w



Jennifer Downer Terra Stevens - we have heard you must stay 2 nights in order to satisfy the stay and play criteria

Like · Reply · 1w



Write a reply...





Elisa Gonzalez Morin Stay to play is a big issue. I believe the hotels they work with can at least provide better rates if they dont want to do away with stay to play. If hotels can do it for hotwire.com and hotels.com they should do it for Varsity, since we bring them lots of revenue



HOTWIRE.COM

Save big with Hotwire

Like · Reply · 1w



Angela Dolfi They can. Many conventions that do blocks give discounts... they are choosing to give someone else the discount instead of passing to parents.

Like · Reply · 1w



Melissa Munson Myers We tried last year to get a hotel add to the stay to play list that our gym had been working with. The hotel offered us great affordable rates. The hotel booking agent however, was told their rates were too low, the housing authority took a % in commission for each room. We went back and forth with the housing company, but ultimately they refused to add them in the end. We had to move all athletes reservations to a different hotel across the street. It wasn't the hotels fault for that one.

Like · Reply · 1w



Annmarie Nelson Angela Dolfi EXACTLY!!!!

Like · Reply · 1w



Kristine Hayes And then they require the stay to play, but there aren't enough rooms!!! We live hour and a half from comp, it's 2 days, we can't even get a block of rooms on the stay to play, but at same hotel we could just book a room at the same rate but it doesn't count? how is that helpful? and what about parents who save work travel points to cut costs during all star? can't use points with stay to play.

Like · Reply · 1w



Aubrey Reeves I know in the past there were ways to get around a stay to play as long as you were paying the ENTIRE trip with points. Just check out the fine print!!!!

Like · Reply · 1w



Audrey McDonald You can use rewards points with Stay and Play. Also, if you live within a certain distance to comp(although we live just about 2 hrs away and are not within distance limits) you don't have to use it either. There's a form you have to submit. Military can also use the exempt form.

Like · Reply · 1w



Starrlynn Pickens We live and hr and 15 min from our gym so we are closer to some venues and I'm pretty sure we were able to get out of a cple last yr (I only don't know because my friend books all the hotels for the season)

Like · Reply · 1w



Shay Van Raalte They've taken away all exemptions this year. Then added back the family exemption after people complained, but you have to submit a utility bill of the family member. 🙄 for points and military, apparently you "can" use them as long as it is done through them at an approved facility. They clamped down on stp exemptions this year.

Like · Reply · 1w



Kristine Hayes this is our 1st yr to do stp...we avoid as much as possible

Like · Reply · 1w



Chris Smith Why does the venue care where we stay? Because they must make money on stay to play. And we KNOW someone is making money somewhere, even if it isn't the venue, even if they get the blame. When we travel long distances, they all know we're going to book hotel rooms, the ones most convenient and affordable for each gym/family. So again, why do they care?!? It's all about the

Like · Reply · 1w



Pk Newbrand-Sharkey Chris Smith Housing Connections receives a 10% premium per room night on the rate. So in cheersport for example a sweet through Housing Connections is \$460 per night for 3 nights day Varsity is making a hundred and thirty-eight dollars. They respond by saying they need to track the room nights so that the arena will waive or discount the fees. But if they were honest about this setup and would come clean with the deal brokered with the city of Atlanta they're paying very little for that venue. The city of Atlanta once the business for the occupancy and sales tax revenues. They have enough historical data where they don't need Housing Connections to count the rooms hotels can do that for them. Not to mention cheersport gets sponsors like Aquafina and the photographer and any other vendor that wants to be in the arena. It is just a machine that feeds itself off of us.

Like · Reply · 1w



Kathryn Panek At summit, a 5/day park hopper cost me \$365 per person. Went to upgrade to an annual pass as I knew we would be doing additional trips to Disney within the next year. Boy was I shocked to learn my \$365 pass was only worth \$146 trade in value! What should have cost me about \$800 to upgrade my and my daughter's park hoppers ended up costing me about \$1300! Varsity made at least \$200 on each park hopper bought through their "packages" for Summit. Do the math with the thousands of athletes and family members in attendance. Tell me why they can't reduce some costs for parents. Glad my girl has moved on to high school cheer.

Like · Reply · 1w



Alesha Escalante Kathryn Panek Are you serious???? That is outright robbery by Varsity! They should have passed that discount to the families, not used it as another way to gouge parents!!





David Owens shared a link.

Conversation Starter · August 29

Hey Everyone! As we are approaching competition season, I want to bring up everyone's favorite subject, STAY TO PLAY! I could put a poll out on everyone's feelings on this, but I am sure another 320 to 2 vote isn't needed here to prove a point. 😊 As room blocks are released for say, a HUGE event in Dallas, TX, it is important to know the market rate there on an extremely busy weekend. The Oklahoma vs. TX (Oct. 6) collegiate football game would be a comparable weekend to the biggest cheer event in Dallas. It brings in well over 100,000 people and room rates should be comparable to the big cheer event. Now a college football game can't be Stay to Play but I can assure you it brings in tons of people. So before you book your rooms for the big cheer event, check hotel prices for your desired hotel on the weekend of Oct. 6. Then check them with the Stay to Play travel company. If there is a difference, ask yourself WHY and WHERE?

WHY would one weekend be more expensive than the other if they are similar in how busy hotels should be?

WHERE is that extra money going?

WHY am I forced to do this to myself and my gym families?

Here is a link to a letter from a parent from the US Fencing Association addressing his issues with STAY TO PLAY. Take a look at it and feel free to post any questions you might have!



IVLCOACH.WORDPRESS.COM

Stay'n Play saga continues.

A rebuttal from the Pacific Coast Section chair, front page of Fencing.net: Gary Zeiss, Chair of the Pacific Coast Section, send in this opinion letter regarding the USFA's "Stay and Pl...



1

1 Comment

Exhibit 39

FILED UNDER SEAL

From: Jeff Fowlkes [jefffowlkes@varsitycharlotte.com]
Sent: 9/22/2017 5:19:53 AM
To: Brian Elza [belza@varsity.com]; Tres LeTard [TLeTard@varsity.com]
Subject: Worlds Bids

Gentlemen,

As you both know, Jeff W. wants the USASF Worlds Bid process changed to prevent small competitors from being allowed to offer Worlds Bids. He believes, and I agree (for whatever that's worth), that in some cases the ability to give Worlds Bids is keeping these companies viable and certainly driving up their value if we decide to acquire them.

The challenge to changing the Worlds Bid process is that the current system was developed to attract and keep other event producers "under the USASF tent" and it has worked. Any non-Varsity event producer that is currently offering Worlds Bids will be adamantly opposed to changing the process. While the USASF would certainly survive a mass exodus of our competitors, it wouldn't be ideal. The obvious best solution is to find a way to change the system to our advantage while maintaining all of the current USASF event producer members.

The good news is that although no one agrees on the solution, most knowledgeable people within the industry, including coaches, know the current system is broken. There is widespread agreement that the current system encourages "bid chasing" which is driving up costs for the gyms. I think this is our opportunity. Here is my idea.

The USASF announces that it is changing the Worlds Bid giving process in response to the members demands to reduce costs by eliminating the need to "bid chase". They then announce that they are adopting a system similar to what NCAA Basketball does for March Madness. Just as certain Conference Champions get automatic bids to March Madness, there will be certain event producer events, geographically dispersed, that will give automatic bids to Worlds but that there will also be other bids that will come directly from the USASF based on a team's "body of work". That body of work will be the team's performance at USASF sanctioned events. The USASF would set up a system similar to the old Infinity Cup that would award points based on a team's performance at sanctioned events but also weight them so that teams are encouraged to attend larger events with more competition.

My initial thought would be only "true Nationals" would get the automatic bids. That would include NCA, UCA, JamFest and CHEERSPORT. In order to get buy in, we might need to include an additional event on the West Coast and the Northeast, but if we do that we run the risk of having it be a competitor's event which would greatly increase attendance at their event. The alternative would be to not rely on the "true Nationals" criteria and pick a minimum team number that includes more of our events but would also include some competitor events. For example, an event would need 400+ teams to get automatic bids. This would open up more of our events and also include a few other event produces which might make it easier to get it done.

There are obviously a lot of things to consider prior to advocating for this change. However, I believe the current environment may provide us with an opportunity to make a significant change that will benefit Varsity while positioning it as a USASF initiative to help control cost and serve their members better.

ELZA
EXHIBIT

16

11-16-21 - LEXITAS

In terms of next steps, if y'all think this idea has merit, I would suggest you discuss it conceptually with our senior management to get their thoughts. If they agree it is worth considering, we could begin working through the details. I would also like to present the idea conceptually to our "Meeting of the Minds" group next week to get their initial feedback although I would be careful how it is positioned.

Please advise me of your thoughts.

Best Regards,

Jeff

Exhibit 40

FILED UNDER SEAL

From: Elaine Pascale [wcupelaine@aol.com]
Sent: 2/13/2019 10:45:31 AM
To: Brian Elza [belza@varsity.com]
Subject: Re: An Important message from Parents of All Star Cheerleaders

EXTERNAL EMAIL

Lets do this next week if time permits

-----Original Message-----

From: Brian Elza <belza@varsity.com>
To: Nina Asadoorian <nma420@comcast.net>
Cc: Bill Seely <BSeely@varsity.com>; Tres LeTard <TLeTard@varsity.com>; ELAINE PASCALE <wcupelaine@aol.com>
Sent: Tue, Feb 12, 2019 2:49 pm
Subject: Re: An Important message from Parents of All Star Cheerleaders

All

My apologies - as my flight is at 1:15-2:45 on Thursday - both Tres and I.

Would either of the times listed below for tomorrow work?

Sincerely,

Brian Elza
General Manager, VP of Sales
Varsity All Star
A Varsity Spirit Brand
(Office) 901-251-5897
(Cell) 859-983-0289
(Fax) 865-675-9324

Disclaimer Message:

This email message and any attachments are for the sole use of the intended recipient and may contain privileged and confidential information of Varsity Brands, Inc. or its affiliates. Any unauthorized review, use, disclosure or distribution is strictly prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message.

On Feb 12, 2019, at 1:26 PM, Nina Asadoorian <nma420@comcast.net> wrote:

EXTERNAL EMAIL

Dear Bill

Thank you so much for your timely response. Thursday 1-3pm would be a perfect time for myself and Mrs. Pascale. I look forward to speaking with you then.

Best regards,
Nina Asadoorian

Sent from my iPhone

On Feb 12, 2019, at 11:05 AM, Bill Seely <BSeely@varsity.com> wrote:

Nina,

Great to hear from you and thank you for your feedback, I sincerely appreciate it. What I would like to do is set up a time where we could get on a call with you, Elene and our senior All-Star team to go through in detail each of your below points to ensure we have completely addressed your concerns. I want to ensure you that we are 100% focused on the athletes and partnering with the gyms to provide the kind of environment and experiences that develop young people.

On a personal note, having grown up in a depressed area and in a broken home, it was through sports and the coaches I had growing up pouring into me that kept me on a positive path. I have given and will continue to give my life to help provide the same kind of experiences to young people and I know our company is filled with employees who feel the same way, it's who we are.

We are completely aligned with you on this focus of elevating the student experience and my hope is that after we talk, we will be even more aligned in this effort. We are certainly not perfect and look forward to really understanding your perspective so that we can ensure our systems are completely aimed at creating the kind of environment for the athletes and their families that allow them to thrive in their future endeavors and support the gyms in this effort as well.

Below are some times that we can call you guys, please let us know which is the most convenient for you.

This afternoon after 1:30
Tomorrow 9-10 or 1-3
Thursday 1-3

Look forward to connecting!

Warmest Regards,

Bill Seely
President
VARSITY SPIRIT
O: 901-387-4449
M: 901.218-7665

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From: Nina Asadoorian [<mailto:nma420@comcast.net>]
Sent: Monday, February 11, 2019 4:58 PM
To: Bill Seely <BSeely@varsity.com>
Subject: An Important message from Parents of All Star Cheerleaders

EXTERNAL EMAIL

Dear Bill,

I would like to re-introduce myself. My name is Nina Asadoorian. I am the President of the Parent Advisory Board (PAB) at World Cup All Stars in Freehold, NJ. We met briefly during your visit this past summer. As the head of the PAB, I am very fortunate in my role to hear the voices of our program parents as well as other families from different programs in the industry.

Many of our parents are very passionate and dedicated to this sport and our program at World Cup. It isn't uncommon for some to drive 2 ½ hours each way to practice. My girls have been in All Star cheer for eight years and we chose World Cup (driving seventy-five miles each way) over more local gyms because of it's reputation, and potential for athlete growth. We knew World Cup was the right gym for us upon realizing that WC gym offers so much more than the physical benefits of cheer. All Star Cheer is our sport and I feel it has helped shape my daughters into strong, resilient, mentally tough young ladies.

World Cup recently held a town hall meeting with roughly 100 of our parents to have an open dialogue about concerns regarding this sport and the future direction the All Star Cheer industry is headed. The room was filled with parents similar to myself, who love this sport and its benefits, but have a growing worry with what we are witnessing and experiencing in All Star cheer. We fear the direction this sport is taking has become detrimental to the longevity of the sport and those involved.

It's clear this sport has evolved...from uniforms, makeup and hair trends to the way routines are scored. Some of those changes are good. But what seems to be most apparent is the lack of concern for the athlete or parents who are funding this industry, and more emphasis on the big business cheer has become. It has become about financial gain for event companies and not about the athletes.

For example, we recently competed in Atlantic City at Epic's Battle at the Boardwalk. We had athletes competing at 10:02pm Sunday night, with awards starting at 11:05pm on Sunday! I cannot imagine you would think it was appropriate for any child athlete to be performing at such a late hour. Where is the concern for their safety? Where is the concern that these kids have school first thing Monday morning? Or for the parents that have to work so that they can afford the growing expenses of this sport?

The industry has become a monopoly whereby those who are paying have no voice as All Star Cheer expenses continue to grow exponentially. The rising cost for parents to watch their child compete along with the paid entrance fees for their athlete, makes it difficult to sustain this sport. Imagine if you as a parent had more than one child cheering. Many of our parents expressed concern with the increasing expenses and not being able to afford to continue in All Star cheer. Stay to Play has added a huge expense to our travel fees. Often room block rates are higher than the hotel's regular rates and are higher than other local hotels that are not in the room block, as well as requiring 3-night minimums for athletes who otherwise would return home on Sunday. All this adds up to mounting costs that affect the longevity of participating in this sport.

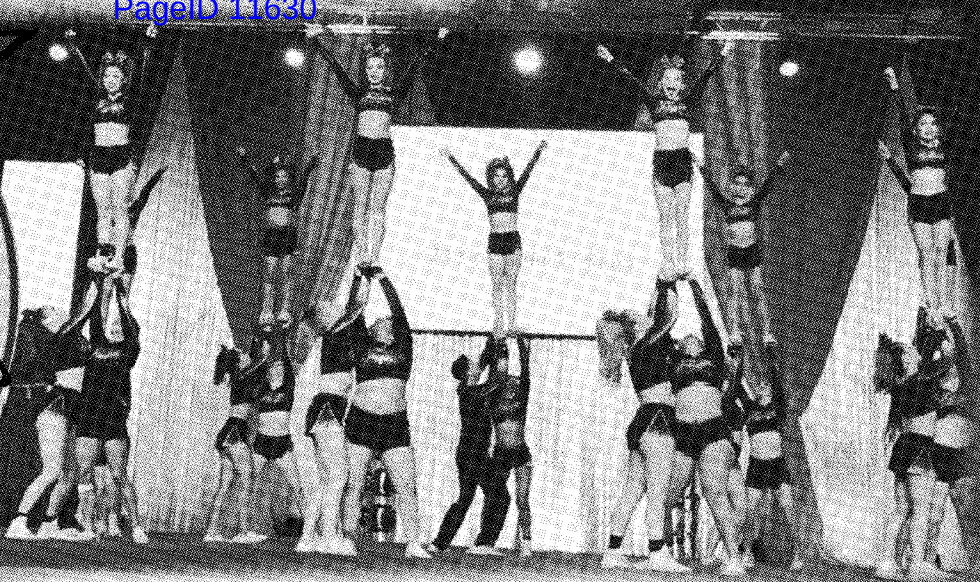
Another growing concern with our parents is the lack of consistency in judging from one competition to another, as well as our large teams being put in divisions with small teams thus putting us in an unfair disadvantage. Our families, like so many in All Star Cheer, sacrifice weekends, vacations, and time spent with spouses and other children in order to practice and travel to competitions. We should have a fair chance and compete against teams similar in size and skill. We should expect fair and consistent judging. A large team with 8 stunt groups should not be judged against a team with two stunt groups and one basket group. It is comparing apples to oranges and is not only unjust but creates disappointment and frustration for the athletes, parents and coaches. For example in AC, we had our Large Junior 5 team compete two beautiful performances throwing elite level skills, that similar to a Worlds team, only to be beat by a small restricted J5 team. You can imagine the frustration our athletes, who work extremely hard to be able to compete these high level skills, had coming in second because of a flawed system. After speaking with Mrs. Pascale, we learned that some local programs were stacking their lower level teams with level 5 athletes for the purpose of winning a summit bid. This all is concerning and weakens the integrity of the sport.

I would like to thank you for taking the time to read my email. In the end, I believe we all want very similar things...for All Star to continue to grow while continually providing a positive platform for our children. By listening to the voice of your customers, the parents of All Star athletes, I believe All Star will continue to improve and be successful for all involved. I would be happy to discuss any of this in further detail and in doing so hopefully give you a better insight into the parents perspective.

Best regards,
Nina Asadoorian

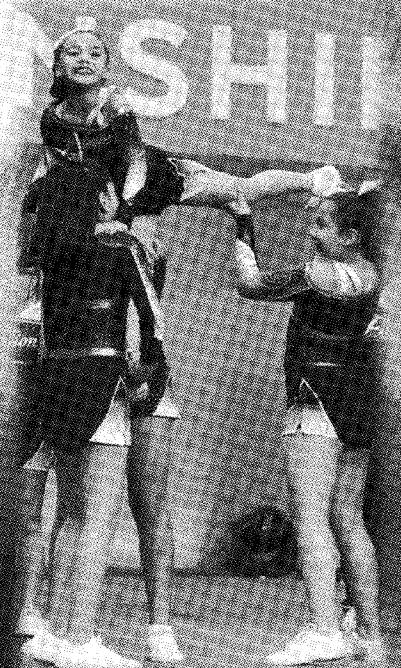
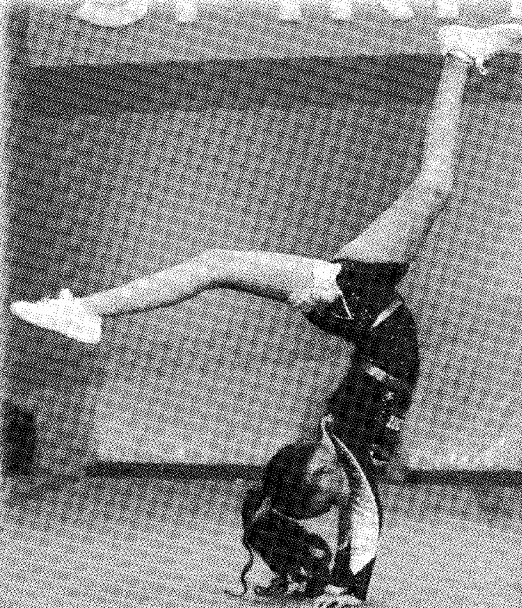
Exhibit 41

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2019-2020

All Star Cheer Team Information



Travel & Competitions

Competitions

Full year teams compete at 6-7 regional and national competitions.

4-5 events in Northern/Central California, 1-2 events on the west coast (driving distance) and one travel event that our parents get to choose! Events may be one day or two day.

Stay To Play

When a competition is listed as "Smart Stay" (the new name for "Stay To Play") it means that the event requires each athlete to reserve through a specific website and stay at one of the official hotels. THIS IS A REQUIREMENT. Failure to book reservations and stay at the host hotels can disqualify our program from the competition.

The only exceptions are if you have family in the area, a timeshare, or are paying with points. These exceptions must be documented and approved.

More details will be posted with our competition schedule.

The Summit

The Summit is a prestigious end-of-season event held in Orlando, Florida in May. To attend, teams must earn a bid at a qualifying event.

For the 2019-2020 Season, Fusion teams will be accepting only PAID Bids to The Summit. The only exception will be if at least 75% of the team's parents vote on accepting AT LARGE (non-paid) bids at the parent meeting at the beginning of the season.

This decision is in response to parents asking for a financial "break" after attending summit for 3 seasons. We will still schedule a fun and prestigious "End of Season" event that is closer to home, and not so expensive, and will return to the normal Summit Policy for Season 8.

More About Travel

*All competitions are required.

*Competitions/events are the first priority of the athletes on Fusion Elite while traveling. Although we compete in fun locations, vacationing and leisure activities cannot conflict with the needs of the team.

*Parents are required to make timely reservations in order to secure travel and hotel accommodations.

*Travel competitions (events more than 4 hours away) will require a Friday arrival and a Monday return. Should we attend The Summit in Florida, it will require a longer stay.

*Travel plan will be available for athletes over the age of 9 when parents cannot attend at an additional fee. More information will be available with the competition schedule.



Exhibit 42

(Excerpted)

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2019 - 2020 Events Dates

PROVIDENCE, RHODE ISLAND

February 8th - 9th 2020

Rhode Island Convention Center-- Housing Requirement
3 Paid Bids, 6 At Large Bids & 1 Non-Tumbling At Large Bid to
The Cheerleading Worlds

COLUMBUS, OHIO

February 1st - 2nd, 2020

Columbus Convention Center
4 Partial Paid & 8 At Large Bids to
The Dance Worlds

WORLDS
BID
EVENTS!

NEW ORLEANS, LOUISIANA

November 16th - 17th, 2019

New Orleans Morial Convention Center

MINNEAPOLIS, MINNESOTA

December 7th - 8th, 2019

Minneapolis Convention Center

CHATTANOOGA, TENNESSEE

January 18th - 19th, 2020

Chattanooga Convention Center

ST. LOUIS, MISSOURI

November 23rd - 24th, 2019

America's Center

CONCORD, NORTH CAROLINA

January 11th, 2020

Cabarrus Arena & Center

BOSTON, MASSACHUSETTS

January 25th, 2020

Boston University - Agganis Arena

HONOLULU, HAWAII

February 15th - 16th, 2020

Hawaii Convention Center

SALT LAKE CITY, UTAH

February 21st - 22nd, 2020

Salt Palace Convention Center

OKLAHOMA CITY, OKLAHOMA

March TBD

TBD

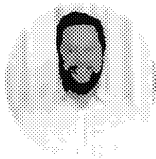
DESTIN, FLORIDA*

April 18th - 19th, 2020

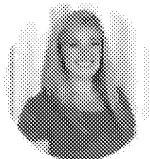
Emerald Coast Convention Center

**End of season destination event*

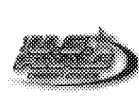
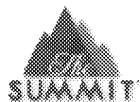
FOR MORE INFORMATION:



Scott Cole
Brand Manager
scole@varsityknoxville.com



Caroline Dowell
Customer Specialist
cdowell@varsityknoxville.com



/athleticchampionships



@AthleticChamp



@athleticchampionships

VARSITY.COM/ATH





MASTER AGREEMENT & STATEMENT OF WORK

Team Travel Source & VARSITY SPIRIT

And all event brands operating out of the LOUISVILLE, KNOXVILLE & BALTIMORE offices

Purpose of Document:

This document serves as the Master Agreement/Statement of Work between Team Travel Source (TTS) and VARSITY SPIRIT LLC (VS). VS designates TTS as their third party hotel provider for their cheerleading and/or dance championships for all events that are managed from the Louisville, Knoxville and Baltimore offices. This Master Agreement and Statement of Work supersede the Master Agreement with Varsity Spirit-Knoxville that was executed on March 1, 2017. The 2018-2019 season will be finished according to the previous Master Agreement and the terms of this agreement will be effective beginning 6/1/19 for the 2019-2020 and 2020-2021 seasons.

Agreement Timeline:

This agreement dated February 22, 2019 (the "Effective Date") is in effect for the following seasons: August 1, 2019 - July 31, 2020 and August 1, 2020 - July 31, 2021 (the "Term"). The agreement will automatically renew for the 2021-2022 season (the "Renewal Term") unless this agreement is cancelled by either party at the end of the Term, provided that such cancellation is received in writing prior to April 30, 2021. Notwithstanding the foregoing, either party may terminate this agreement for convenience upon 90 days' written notice, provided that such termination for convenience may not occur within the first eighteen (18) months after the Effective Date.

General Points:

- 18-20 TTS agrees to work directly with VS to secure room blocks for the event by negotiating comp rooms and a \$20 rebate per consumed room per night. TTS will collect a \$20 rebate per consumed room per night for all events and will notify and work with VS on any extenuating situation where a hotel may not agree to the \$20 rebate. All rebates secured for VS events will be tracked and collected from each hotel by TTS. TTS will issue a rebate check within 60 days of each event to VS.
- ✓ TTS will use the TTS Live Link for smaller events and to capture last minute reservations. TTS will pay VS \$5 per room night for all actualized room nights. TTS Live commissions will be paid once per quarter to each office.
- ✓ VS understands that as the "Agent of Record" for VS, TTS has the ability to earn commissions and/or housing rebates/fees from hotels for their service and that these fees are the primary source of income for TTS and will not affect the rebate for VS. If industry commission and/or rebate standards are changed or limited by hotel brands, TTS has the ability to charge upfront deposits to the attendee without it affecting the VS rebate or room rate to cover our intended commission earnings.
- ✓ Because TTS will serve as the hotel arrangements provider for VS and all of the event brands out of these offices, VS agrees that all new hotel contracts, including any hotels with which they have existing relationships will be negotiated by TTS. Any exceptions must be agreed to in writing by both parties.
- TTS will work to secure additional upgrades and amenities where able for your staff and/or for VIP customers per your request.
- TTS will provide the additional sponsorships as included in attached addendum of the agreement.

Exhibit 43

FILED UNDER SEAL

From: Jeff Fowlkes [jefffowlkes@varsitycharlotte.com]
Sent: 10/14/2016 2:02:22 PM
To: John Nichols [jnichols@varsity.com]; Brian Elza [belza@varsity.com]; Tres LeTard [TLeTard@varsity.com]
Subject: Connections Housing Negotiation Update

Gentlemen,

This is to update you on our on-going discussions with Connections Housing and to seek guidance as to how to move forward.

As you will recall, our current CHEERSPORT contract requires Connections to pay us 30% of their commission to us in addition to the rebate we get from the hotels. NCA has a contract with them through 2021 that does not include that component. USA and Cheer Power also use Connections and their agreements don't include the 30% either but they are not on long term contracts.

When we met with them in Memphis, we essentially offered a long term contract for them if they would agree to pay the 30% for all our brands including NCA. This was a big ask. I estimate that it would cost them at least \$250K annually on their existing NCA contract. In order to help offset that loss, we guaranteed we would move Spirit of Hope Nationals to them in 2018 and JamBrands in 2019. We hinted that we might be willing to move the Gainesville and Knoxville business in future years. I believe they were willing to make that deal at that time.

Since then, with John's permission, I went back to them and told them we would not guarantee moving Gainesville and Knoxville to them. (As an aside, Gainesville could continue to operate exactly as they currently do by simply by substituting Connections for THS.) Due to that, they are now unwilling to include NCA in a new contract. They also say they have made other concessions to NCA that already are cutting into their profit. John Calitri confirmed this but the concessions are nowhere near \$250K a year.

They have now offered to pay the 30% to Cheer Power and USA and any new brands we bring on board. They also offered a \$30K bonus for bringing on Spirit of Hope in 2018 and another \$30K bonus for bringing on JamBrands in 2019.

I believe the fact they are willing to give up 30% of their commission on future business proves my basic premise that they can operate their business profitably and provide us the 30% rebate. I understand their reluctance to change what is a very lucrative contract for them but I think we are currently overpaying for their services. They have done a great job but they have several competitors that have the same level of expertise and service.

I think we have several options here including:

1. Accept their offer. It is not a home run but a solid double. It will increase revenue marginally at Cheer Power and USA beginning this year.
2. Modify their offer by contracting USA, Cheer Power and CHEERSPORT through 2018 as long as they give all three the 30%. We would not move Spirit of Hope because we now have an offer from the city the Charlotte that is more lucrative. We would not guarantee JamBrands and open it for bids in 2019.
3. Play "hardball". We tell them if they want to keep our business long term, they need to pay the 30% on all the business including NCA. If they are unwilling to do this, we would not commit to any more long term contracts with them and would open up the bidding to other companies as the contracts expire.

Option 3 would potentially change the nature of our relationship with them but it is also potentially an additional \$250K per year at a minimum straight to the bottom line.

Please let me know how you would like for me to proceed.

Best Regards,

Jeff

Exhibit 44

FILED UNDER SEAL

From: Brian Elza [belza@varsity.com]
Sent: 11/5/2018 8:56:51 AM
To: Pash Nangia [pnangia@varsity.com]; Landon Craft [lcraft@varsity.com]; Tres LeTard [TLeTard@varsity.com]
Subject: Re: Final McKinsey Update to Steering Committee - pre-read document attached

Pash,

Do you have some time to discuss this morning? Tres and I leave for Dallas later today for a 2 day USASF Board Meeting

Brian Elza
General Manager, VP of Sales
Varsity All Star
A Varsity Spirit Brand
(Office) 901-251-5897
(Cell) 859-983-0289

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From: Pash Nangia <pnangia@varsity.com>
Date: Monday, November 5, 2018 at 7:21 AM
To: Era Singh <Era_Singh@mckinsey.com>
Cc: Wayne Vacek <wvacek@varsitybrands.com>, Bill Seely <BSeely@varsity.com>, "belza@varsity.com" <belza@varsity.com>, Tres LeTard <TLeTard@varsity.com>, Landon Craft <lcraft@varsity.com>, Truett Horne <Truett_Horne@mckinsey.com>, Shaun Callaghan <shaun_callaghan@mckinsey.com>
Subject: RE: Final McKinsey Update to Steering Committee - pre-read document attached

Sounds good and thanks. Lots going on, at least we are catching it now.

Cheers

From: Era Singh [mailto:Era_Singh@mckinsey.com]
Sent: Sunday, November 4, 2018 9:30 PM
To: Pash Nangia <pnangia@varsity.com>
Cc: Wayne Vacek <wvacek@varsitybrands.com>; Bill Seely <BSeely@varsity.com>; Brian Elza <belza@varsity.com>; Tres LeTard <TLeTard@varsity.com>; Landon Craft <lcraft@varsity.com>; Truett Horne <Truett_Horne@mckinsey.com>; Shaun Callaghan <shaun_callaghan@mckinsey.com>
Subject: RE: Final McKinsey Update to Steering Committee - pre-read document attached

EXTERNAL EMAIL

Thanks Pash — appreciate you providing this additional insight/context, especially given we were not able to catch you last week.

We will update the discussion document with the suggested savings ranges.

Nangia Exhibit 9

Witness: Pash Nangia

Date: 03-10-2022

M. Kirkpatrick, RDR-CRR-CRC, FCRR, CRCR
LexitasLegal.com

Thanks again!

Era Singh
McKinsey & Company
Work +1 973 337 3148 | Direct +1 703 965 1741
era_singh@mckinsey.com

From: Pash Nangia <pnangia@varsity.com>

Sent: Sunday, November 4, 2018 12:52 PM

To: Era Singh <Era_Singh@mckinsey.com>

Cc: Wayne Vacek <wvacek@varsitybrands.com>; Bill Seely <BSeely@varsity.com>; Brian Elza <belza@varsity.com>; Tres LeTard <TLeTard@varsity.com>; Landon Craft <lcraft@varsity.com>; Pash Nangia <pnangia@varsity.com>

Subject: [EXT]RE: Final McKinsey Update to Steering Committee - pre-read document attached

Wayne

Thanks for sending me the note on All Star savings opportunity identified by McKinsey (Era and the team) and calling out Brian and Tres have already done some of this work. I agree with you.

Era

Thanks for sending the pre-reads. I want to give you feedback on each opportunity & \$ savings identified:

- Opportunity – Create guidelines around event margins and create event “best practice” playbook. Savings opportunity identified is \$2.4M - \$7.8M. The documentation of the “Current State” needs to be revised because it is not articulating operations accurately. It states Event and Camp margins vary substantially, with some competitions making <10% margins, and others > 60%.
 - Camps generates ~32% margin across the 5,600 camps we have. Some camps will generate lower margin than others and we call that mix (mix shift between Home and Residential camps). I am not sure if there are any camps where we generate < 10% margins. If we do, please guide me to your source.
 - On the Competition front, if you are addressing All Star Competitions, our operating model further breaks down between “1 Day”, “2 Day”, & “World Bid” Competitions. The World Bid events are the larger Competitions like Cheersport Atl, NCA Dallas, etc. The 1 Day Competitions are lower Priced and lower margin as you would expect. We have more 2 Day competitions than 1 Day. There are a handful of Competitions that makes < 10% margin and this is a function of the timing of the event. In 2017 All Star had ~263 such 1 Day and 2 Day Competitions and this does not include Disney. ~ All Star Competitions in 2017 generated Revenues of \$72.5m with GM of ~43%. There were a handful of 1 Day and 2 Day competitions that generated margins <10%. Our data (2017-2018 Competition Season) shows out of 370 Competitions we had ~24 Competitions or 7% were below the 10% margin. Of this 2 Competitions were International and we are seeding our presence in those markets for future growth. 16 Competitions were 1 Day as expected generating total Revenues of ~\$1M. There is an opportunity to consolidate some of these 1 Day Competitions and our General Managers (Brian & Tres) are constantly exploring those options and the savings opportunity from this is also small. We cannot expect these two types of competitions to generate similar margins, they are not designed to do so. Over the years All Star has grown significantly via acquisitions and this is our strategy – buy 1 Day, 2 Day, & World Bid Competitions. If we apply a broad strokes of assumptions around such competitions to have similar margins, we will in essence exit from 1 Day Competitions and this would be counter to our strategy allowing our competitors to enter the space.
 - Disney in 2017 generated Revenues of \$32.2M with GM of 29.6%. As you may know, strategy around Disney is to grow absolute \$ Rev and GM. GM% improvement is highly limited because it is a contractual based cost structure and we are passing annual cost increases from Disney to our customers. We are highly limited in generating incremental savings from lower cost at Disney.

- If the Opportunity is addressing School Competitions (the iconic 3 brands – UCA, NCA, USA), total Revenues in 2017 was ~\$27.4M with a GM of 38.9%. They have a mix of Competitions where they will host an All Star on Friday morning and School Competition in the afternoon. This is because these are typically smaller local and regional competitions held in High School gyms and smaller arenas.
- So the Savings opportunity is really limited to Competitions in All Star and School. Disney should be excluded in sizing any opportunity because it is contractual based.
- In conclusion, there is a business case for why we have a spread in margins across Competitions and also Camps.
- **Recommendation – The “Current State” needs to say:**
 - **Deep dive into 1 Day, 2 Day, and World Bid events and identify sources of savings by providing offerings to be aligned with price points.**
 - Savings opportunities like lower spend on production costs (staging, lighting) should be assessed
 - Spend on Judges by streamlining the number of judges required in the different types of Competitions
 - Generate savings from spend on travel by using the local resources available closer to the competitions. Leverage “Apprenticeship” program and summer camp staffers locally to save on travel.
 - In regards to sizing the savings amounts, the pre-read document has a size of \$2.4M - \$7.8M from this opportunity. We have done similar analysis on this as part of our 2019 Budgeting and came up with a potential savings over the next 24 months in the range of \$1.0M - \$2.0M. We challenged ourselves to think out of the box, and this is the amount we assessed w/o impact our Competitions. In the 2019 Budget we are reporting OpEx Savings of ~\$0.9M. To get up to \$2.0M is going to take an aggressive culture change and we are challenging ourselves.
- Opportunity – Negotiate event costs above event level. Savings opportunity identified in \$1.8M – 3.5M. While the documentation refers to VB level, **at the Spirit level we are going to size this savings in the range of \$0.4M to \$0.7M**. This is because we are already partnering with Hotels to give us Commissions. In 2018 we are projecting receiving Commissions income in the range ~\$4.0M range. This is because we already have an initiative called “Stay to Play” that requires our cheerleaders to stay in the hotel of our selection. We discussed this in the ideation sessions. Now, VB might be able to get us more savings by consolidating the 3 Divisions of VB, however, kindly be mindful that we already have these arrangements with hotels that are closer to the Convention centers for our cheerleaders. Are product is the experience and if our cheerleaders have to stay further away from the competitions venue, this might present logistical challenges. Can you guide me to the source of the pre-read document identified savings opportunity.
- Negotiate awards contract at the VB Level – Similar to the above point. We may spend \$5M on multiple suppliers and we do this because we are also mitigating the potential risk of relying too much on few supplier in the event there were production delays. Also, and this is an important point, we purchase various types of awards. We buy jackets that is unique to Disney and Non-Disney competitions, the awards between State and Local competitions in the All Star and School look different because they represent different brands and this is our key differentiator. If we start communizing the looks of awards to generating savings, we will compromise our differentiator. The pre-read document assumes incremental savings of 10% to 14% on the \$5M spend and this is very aggressive. **Incremental savings in the range of \$0.1M - \$0.3M after consolidating few of the suppliers cautiously is a good stretch target.** Can you guide me to the source of the pre-read document identified savings opportunity.

Brian/Tres/Landon – please provide input on the above. I know you gents look into these savings on a regular basis and if the savings amounts identified by me are still aggressive, kindly provide input.

Cheers

From: Era Singh [mailto:Era_Singh@mckinsey.com]

Sent: Friday, November 2, 2018 4:47 PM

To: Angel Baker <abaker@varsitybrands.com>; Adam Blumenfeld <ab@varsitybrands.com>; Terry Babilla- BSN Sports <TBabilla@bsnsports.com>; Jeffrey J Drees - Herff Jones <jdrees@herffjones.com>; McCaslin, Kimberly <kmccaslin@baincapital.com>; Spiller, David <dspiller@baincapital.com>; Burton Brillhart <bbrillhart@varsitybrands.com>; Rick Paschal <rpaschal@varsitybrands.com>; Bill Seely <BSeely@varsity.com>; Wayne Vacek <wvacek@varsitybrands.com>; John Markham <jmarkham@varsitybrands.com>; 'sobrien@baincapital.com' <sobrien@baincapital.com>; John G Oblazney - Herff Jones <JGOblazney@herffjones.com>; Kent Laber- BSN Sports <klaber@bsnsports.com>; Pash Nangia <pnangia@varsity.com>; Ross Evans <revans@varsitybrands.com>; Nikki C. Shaikh- BSN Sports <nshaikh@bsnsports.com>

Cc: Shaun Callaghan <shaun_callaghan@mckinsey.com>; Truett Horne <Truett_Horne@mckinsey.com>; Warren Teichner <warren_teichner@mckinsey.com>; Mike Emsley <Mike_Emsley@mckinsey.com>; Gage Wells <Gage_Wells@mckinsey.com>; Rushoti Chatterjee <Rushoti_Chatterjee@mckinsey.com>; George Saito <George_Saito@mckinsey.com>

Subject: Final McKinsey Update to Steering Committee - pre-read document attached

EXTERNAL EMAIL

Hi all,

We look forward to our discussion on Monday for the Cost Visibility update. Please see attached for the documents for discussion. We will discuss the document titled "Leadership Discussion". In addition, as a pre-read, we have also attached the detailed analysis on each of the opportunities we identified and sized (see "Opportunity Deep Dive").

Have a great weekend!

Era Singh
McKinsey & Company
Work +1 973 337 3148 | Direct +1 703 965 1741
era_singh@mckinsey.com

-----Original Appointment-----

From: Angel Baker <abaker@varsitybrands.com>

Sent: Wednesday, September 19, 2018 5:31 PM

To: Angel Baker; Adam Blumenfeld; Terry Babilla; Jeffrey J Drees - Herff Jones; McCaslin, Kimberly; Spiller, David; Burton Brillhart - Varsity; Rick Paschal; Bill Seely - Varsity; Wayne Vacek; John Markham; Era Singh; Truett Horne; Mike Emsley; 'sobrien@baincapital.com'; John G Oblazney - Herff Jones; Kent Laber; Pash Nangia - Varsity; Ross Evans; Nikki Shaikh

Subject: [EXT]Final McKinsey Update to Steering Committee

When: Monday, November 5, 2018 1:00 PM-4:00 PM (UTC-06:00) Central Time (US & Canada).

Where: IMPACT (Floor 2 - Room 267) or call in below

888-383-1882

Access: 0106986

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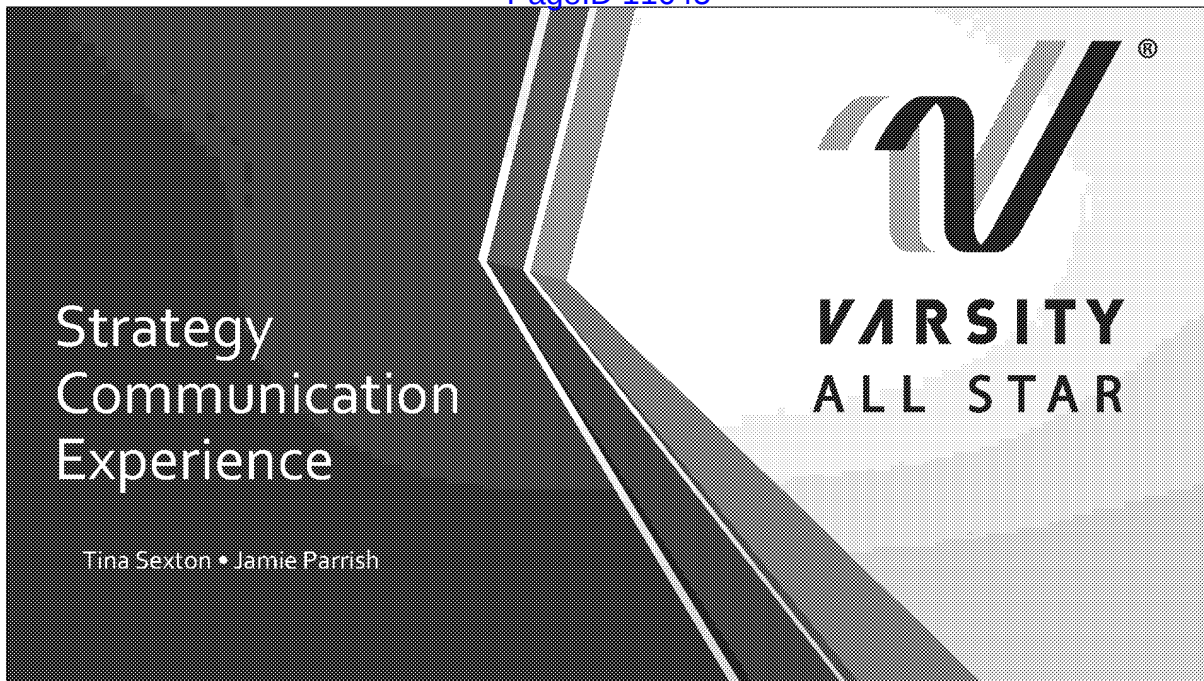
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Exhibit 45

(Excerpted)

FILED UNDER SEAL



Stay Smart

- To steer away from the forceful “negative” connotation of Stay to Play, we rebranded our housing services Stay Smart. We repackaged the existing Stay to Play benefits into a friendlier Stay Smart umbrella, and basically put lipstick on a pig. It worked to a degree, but still much to be done on this topic. Look for new StaySmart explainer video coming soon.

Exhibit 46

(Excerpted)

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Varsity Spirit Meeting Agenda

Thursday, October 2, 2014

11:00 – 1:00 pm Sales and Market Trends (Sycamore and VS management)

- a. Overview of business structure and segments (Camps, Competitions, and Apparel)
- b. Camps and Competitions
 - i. Camps and Comps overview (cheer definitions, major events, target customers)
 - ii. Enrollment trends (#, pricing, margins) by age/region/income, HS vs Varsity
 1. Existing business (UCA, NCA, USA)
 2. New business (The Summit, Gainesville, Knoxville)
 - iii. Recent market trends (e.g. erosion of camps, rise of All-Star, regional/demographic declines or growth)
 - iv. Long term industry outlook and how industry likely to evolve
- c. Apparel
 - i. Long-term trends for uniform, accessories, lettering, etc.
 1. Sales, units, AUR, pricing, margins
 2. Channels and channel trends
 - ii. Recent market trends (e.g. higher quality uniforms, customization, etc.)
 - iii. Cross-sell success with camps and comps
- d. Sales reps
 - i. Sales rep profile: number of reps, tenure, churn, productivity, commissions
 - ii. Commission structure over time

*Camps and Competitions – SEPARATE***Camp – Education and Training overview**

- *cheer definitions:*
 - *Camp Types*
 - *Jr. High and HS, College*
 - *Resident*
 - *Private*
 - *Resort*
 - *Commuter*
 - *Youth*
 - *Clinics*
 - *One Day's*
 - *Spirit Day's*
 - *Coaches Conferences*
- *major events*
 - *NHSCC, NDTC, NCA and USA Nationals*
 - *Special Events*
 -
- *target customers*
 - *Jr High and High School Coaches (administrators in some cases) for Cheer and Dance*
 - *College AD's And Coaches*
- *enrollment trends (#, pricing, margins) by age/region/income, HS vs Varsity*
 - *Resort Camp Increase (both new business and shift in product type from Resident to Resort @4k)*

- Skill focused camps (aligns with trend in importance of competition)
 - College Camps trending up
 - Resident Camps trending down
 - Competitions trending up.
- existing business (UCA, NCA, USA) “legacy” brands
 - Varsity University
 - Legacy Camps
 - Spirit Fests
- new business
 - Varsity University
 - Lacrosse
 -
- recent market trends (e.g. erosion of camps, regional/demographic declines or growth)
- long term industry outlook and how industry likely to evolve

Competitions – All Star overview

- cheer definitions
- major events
- target customers
- enrollment trends (#, pricing, margins) by age/region/income, HS vs Varsity
- existing business (UCA, NCA, USA) “legacy” brands
- new business (The Summit, Gainesville, Knoxville)
- recent market trends (rise of All-Star, regional/demographic declines or growth)
- long term industry outlook and how industry likely to evolve

1:00 – 3:00 pm Market Positioning and Growth Opportunities (Sycamore and VS management)

Share by segment

- Camps ~80-85%
- Comps ~40%
- Apparel ~60% uniforms/~20% other

Competitive overview and profiles (GT Elite, JAM Brands, EPIC Brands, etc)

- Camps
 - Local providers – gyms/local high schools/colleges/individuals
 - Small regional players – fewer and further between
- Comps
 - JAM Brands
 - Epic Brands
 - Aloha
 - Spirit Celebration
 - Champion
 - Cheer America
 - Spirit Unlimited
 - JAMZ
 - WSA
 - ~ 90 event producers running multiple competitions
- Apparel
 - GTM

Exhibit 47

FILED UNDER SEAL

From: Tres LeTard [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=36846DF5DE854D049BF0632979EAA143-TRES LETARD]
Sent: 3/11/2019 1:29:11 PM
To: Steve Peterson USASF [speterson@usasf.net]
Subject: Re: VOTE NEEDED: 2019-2020 Tier 1 Approval Process

Got it! Thanks again.

Tres LeTard

General Manager, Varsity All Star

VARSITY SPIRIT

901.251.5856

901.251.5996 fax

tletard@varsity.com

http://VarsityAllStar.com

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Sent from my iPhone

On Mar 11, 2019, at 1:26 PM, Steve Peterson <speterson@usasf.net> wrote:

EXTERNAL EMAIL

Correct.

The only one on probation this season was Spirit Unlimited and they blew it out this year.

So far, in 19-20 we have Cheer Tech and ASC on probation. If you guys can put the squeeze on them next season, that would be great. :)

Steve Peterson

VP - USASF Events & Corporate Alliances

Office: 888-315-9437 Ext. 7003

Direct: 901-290-3030

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On Mon, Mar 11, 2019 at 1:23 PM Tres LeTard <TLeTard@varsity.com> wrote:

Got it. Regardless, no one dropped out for the 19-20 season, right?



Thanks,

Tres LeTard

General Manager, Varsity All Star

VARSITY SPIRIT

901.251.5856

tletard@varsity.com

<http://VarsityAllStar.com>

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From: Steve Peterson [mailto:speterson@usasf.net]

Sent: Monday, March 11, 2019 1:20 PM

To: Tres LeTard <TLeTard@varsity.com>

Subject: Re: VOTE NEEDED: 2019-2020 Tier 1 Approval Process

EXTERNAL EMAIL

Like I said, it all depends on who applies at the time it opens up.

Most of them on the list have never applied.

And then, will they qualify with the number of teams?

And finally, if there are date/distance locations?

You never know.

Look at these 3 that got in. They have later dates than Double Down.

1/24/12	1	Encore Championships
5/2/12	1	Nation's Choice
1/29/13	1	Aloha Productions

Steve Peterson
VP - USASF Events & Corporate Alliances
Office: 888-315-9437 Ext. 7003
Direct: 901-290-3030

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On Mon, Mar 11, 2019 at 1:11 PM Tres LeTard <TLeTard@varsity.com> wrote:

So it looks like they are way down the list. Probably never get Bids, right?

Thanks,

Tres LeTard
General Manager, Varsity All Star
VARSITY SPIRIT
901.251.5856
tletard@varsity.com
<http://VarsityAllStar.com>

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From: Steve Peterson [<mailto:speterson@usasf.net>]
Sent: Monday, March 11, 2019 1:10 PM
To: Tres LeTard <TLeTard@varsity.com>
Subject: Re: VOTE NEEDED: 2019-2020 Tier 1 Approval Process

EXTERNAL EMAIL

These follow Advanced Spirit

5/31/11	3	New England Cheerleaders Assoc.
6/27/11	3	Double Down / Cheerlebrity

Steve Peterson

VP - USASF Events & Corporate Alliances
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Direct: 901-290-3030

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On Mon, Mar 11, 2019 at 1:07 PM Tres LeTard <TLeTard@varsity.com> wrote:

Where is Cheerlebrity (now Double Down) on this list?

Thanks,

Tres LeTard

General Manager, Varsity All Star

VARSITY SPIRIT

901.251.5856

tletard@varsity.com

<http://VarsityAllStar.com>

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From: Steve Peterson [<mailto:speterson@usasf.net>]

Sent: Monday, March 11, 2019 1:05 PM

To: Tres LeTard <TLeTard@varsity.com>

Subject: Re: VOTE NEEDED: 2019-2020 Tier 1 Approval Process

EXTERNAL EMAIL

It all depends on who applies. Below is the first part of the Tier 3 List.

Those listed as Tier 2 are those awarding only Dance Worlds Bids now.

3/30/05	2	All Star Championships
5/2/05	3	USA Sports Production
6/1/05	3	Cheer Nationals @ Opryland (WCA)
7/27/05	3	Apex Championships (Was CCE)
12/5/06	3	U S Spirit Corp.
4/12/05	3	Cheergym.com - Spirit Spectacular Championships
9/8/05	2	Elite Cheerleading Inc.
12/15/05	3	Valley of the Sun Cheer & Dance Championship
6/15/06	3	CNY Cheer Company, Inc.
6/26/06	3	U.S. Spiritleaders
7/3/07	3	3 P Comps
10/3/07	2	AmeriCheer
12/15/07	3	Champion Cheer and Dance
5/29/08	3	Eastern Cheer and Dance Association
4/5/10	3	Spirit Solutions
4/6/10	3	United Events
12/18/09	3	Cheer Pros
5/21/11	3	Advanced Spirit Association

On Mon, Mar 11, 2019 at 12:59 PM Tres LeTard <TLeTard@varsity.com> wrote:

Steve,

What company/brand is next in line for World Bids, if one of these fall out after the 19-20 season?

Thanks,

Tres LeTard

General Manager, Varsity All Star

Varsity Spirit

901.251.5856

tletard@varsity.com<http://VarsityAllStar.com>

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From: Steve Peterson [mailto:speterson@usasf.net]**Sent:** Monday, February 25, 2019 10:46 AM**To:** Brian Elza <belza@varsity.com>**Cc:** Tres LeTard <TLeTard@varsity.com>**Subject:** Re: VOTE NEEDED: 2019-2020 Tier 1 Approval Process

EXTERNAL EMAIL

I talked to Jim Hill last week about these. There was only one this season and it was Spirit Unlimited and they had a great year as you know. Next season, 19-20 will be Cheer Tech and possibly ASC so far. ASC had a bad winter storm that prevented teams from attending and had to cancel. I am getting letters from the programs to support that. However, if I do not get them all, they will go on probation.

Sent from my iPhone

On Feb 25, 2019, at 11:35 AM, Brian Elza <belza@varsity.com> wrote:

Which EP was on probation this year?

Brian Elza

General Manager, VP of Sales

Varsity All Star

A Varsity Spirit Brand

(Office) 901-251-5897

(Cell) 859-983-0289

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From: Steve Peterson <speterson@usasf.net>

Date: Sunday, February 24, 2019 at 8:18 AM

To: "belza@varsity.com" <belza@varsity.com>, Tres LeTard <TLeTard@varsity.com>

Subject: VOTE NEEDED: 2019-2020 Tier 1 Approval Process

EXTERNAL EMAIL

Hey guys,

I have just sent this out to all independents to place their votes.

I am only sending this out to you guys for all of the Varsity Brand's votes.

Thank you.

Steve

Dear Cheer Sanctioning Committee Members,

Attached is the list of event producers who have applied for Tier 1 and to award 2020 Cheerleading Worlds Bids during 2019-2020 season. All 42 2018-2019 Tier 1 members will be returning and approved having met the approval guidelines and membership requirements for the 2019-2020 season. If any EPs do not meet the minimum number of teams requirement, they will go on probation for the 19-20 season. We only had one EP on

probation in the 18-19 season. That EP did exceed the minimum number teams requirement for this season. I have highlighted some of the EPs dates and or locations that are still being finalized. I will continue to work with these EPs to insure there are no conflicts.

SUBMITTING YOUR VOTE: Please email me your vote by 5pm CST Tuesday February 26th.

You are voting on the entire list. Those that are still highlighted will still have to complete the necessary requirements before they are officially approved.

YES = you approve the entire list

OR

NO = you do not approve the entire list

Thank you!

Steve Peterson
VP - USASF Events & Corporate Alliances
Office: 888-315-9437 Ext. 7003
Direct: 901-290-3030

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